
DIGEST

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DeWitt, et al.

HB No. 2

Abstract: Authorizes licensed riverboats to elect to conduct gaming while the riverboat is docked. Requires riverboats electing to conduct gaming while the riverboat is docked to pay an additional franchise fee of 3% of net gaming proceeds, except for riverboats located on portions of the Red River. Provides for riverboat gaming to be conducted on a permanently moored riverboat vessel upon payment of an additional franchise fee of 5% of net gaming proceeds. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues, for postsecondary education faculty pay increases.

Proposed law authorizes a riverboat licensee to elect to conduct gaming while a riverboat is docked. Requires payment of an additional franchise fee of 3% of net gaming proceeds. Requires notice to Louisiana Gaming Control Board and state police, riverboat gaming enforcement division. (R.S. 27:66)

Proposed law authorizes gaming to be conducted on a permanently moored riverboat vessel upon election to conduct gaming on a permanently moored riverboat vessel by riverboat gaming licensee and payment of additional franchise fee of 5% of net gaming proceeds. (R.S. 27:66.1)

Proposed law provides for gaming conducted while a riverboat is docked or on a permanently moored vessel in the parish of the official gaming establishment. (R.S. 27:66.2)

Present law provides that the license fee to conduct gaming activities on a riverboat shall be the total of the following:

- (1) \$50,000 for each riverboat for the first year of operation and \$100,000 per year per riverboat thereafter. The license fee shall be due at the beginning of each year.
- (2) An amount equal to 3.5% of net gaming proceeds.

Proposed law retains these provisions of present law.

Present law provides a franchise fee shall be charged for the right to operate on Louisiana waterways at an annual amount equal to 15% of net gaming proceeds.

Proposed law deletes provision regarding the right to operate on Louisiana waterways and otherwise retains present law.

Proposed law provides that riverboat gaming licensees conducting gaming while the riverboat is docked in portions of the Red River shall continue to pay the franchise fee at an amount equal to 15% of net gaming proceeds.

Proposed law provides for the following:

- (1) An additional franchise fee at an annual amount equal to 3% of net gaming proceeds shall be charged for the right to conduct gaming while the riverboat is docked in all areas except the portions of Red River

which are authorized to conduct gaming while a riverboat is docked under present law.

- (2) An additional franchise fee at an annual amount equal to 5% of net gaming proceeds shall be charged for the right to conduct gaming on a permanently moored riverboat vessel.
- (3) For a riverboat operating in the parish of the official gaming establishment a franchise fee or fees as follows:
 - (a) For any month in which a licensee receives net gaming proceeds of less than \$6,000,000, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and shall not be required to pay an additional franchise fee.
 - (b) For any month in which a licensee receives net gaming proceeds of at least \$6,000,000 but less than \$8,000,000, the licensee shall pay the fee the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 2% of net gaming proceeds for that month.
 - (c) For any month in which a licensee receives net gaming proceeds of \$8,000,000 or more, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 3% of net gaming proceeds for that month.

Proposed law further provides that a riverboat gaming licensee conducting gaming on a permanently moored riverboat vessel operating in the parish of the official gaming establishment shall pay a franchise fee of an annual amount equal to 5% of net gaming proceeds.

Proposed law provides with regard to a permanently moored riverboat vessel that a permanently moored riverboat vessel shall not be required to carry a valid certificate of inspection issued by the United States Coast Guard. The permanently moored riverboat vessel shall comply with the laws, ordinances, regulations, building codes, and any other requirements governing the construction, safety, and inspection standards for buildings and land structures.

Proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.

Proposed law further provides that the permanently moored riverboat vessel shall be maintained at safety standards as are required by the United States Coast Guard for such vessels and with all other applicable United States Coast Guard rules and regulations.

Proposed law provides that the licensee at its expense shall cause to be conducted annually an inspection of the permanently moored riverboat vessel. The inspector shall certify to the Louisiana Gaming Control Board that the permanently moored riverboat vessel is in compliance with the standards required by this Section. The inspections shall be conducted by a person who has credentials equivalent to those required for United States Coast Guard inspections for issuance and maintenance of a Certificate of Inspection.

Proposed law provides that the Louisiana Gaming Control Board or the state of Louisiana shall have no liability and will be immune from liability to any person for any injury or loss or damage occurring on or related to any riverboat, including a permanently moored riverboat vessel.

Proposed law establishes the Support Education in Louisiana First Fund (SELF Fund) in the state treasury. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues for higher education faculty pay increases (R.S. 17:421.7). Further specifies the allocation of revenues collected by the franchise fees (R.S. 27:92(B)(2)(b)).

Proposed law is not intended or to be construed to violate or supersede the provisions of R.S. 27:241(H) or any of the protection, conditions, obligations, requirements, provisions, or terms of the Casino Operating Contract governing exclusivity of the land-based casino in Orleans Parish.

Proposed law is declared to be nonseverable.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:44(23), 65(A), 65(B)(1), 91(C), and 92(B)(2)(b); Adds R.S. 17:421.7 and R.S. 27:44(17.1), 66, 66.1, and 66.2; Repeals R.S. 27:44(16) and 52(2)(f))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Administration of Criminal Justice to the original bill.

1. Provides that both safety and employee training standards for permanently moored riverboat vessels shall be maintained at safety standards as are required by United States Coast Guard.
2. Changes inspections on a permanently moored riverboat vessel from annually to quarterly.
3. Provides that standards are those as are required by the United States Coast Guard for permanently moored riverboat vessels including but not limited to hull integrity.
4. Makes clear that riverboats conducting gaming while docked pay a 3% increased franchise fee and riverboat licensees conducting gaming on permanently moored riverboat vessels pay a 5% increased franchise fee.
5. Provides that proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.